Chapter 6

NAVAL INVENTORY CONTROL POINT MECHANICSBURG (NAVICP-M) ASSIGNMENT OF DESIGNATED OVERHAUL POINTS (DOPs)

6.1 Overview

a. Repairable item inventory and financial management procedures at NAVICP Mechanicsburg make up an integral part of the strategies in place to maintain acceptable levels of supply effectiveness in the high technology environment of today's Navy. Supply Material Availability (SMA) is an important effectiveness measure of these inventory and financial procedures. DOP identification and certification by the Hardware Systems Commands (HSCs) is a key component of NAVICP repairables management. Improper DOP assignments can jeopardize program support, increase backorders, increase Repair Turn Around Time (RTAT), increase repair costs, and potentially delay Material Support Date (MSD).

b. Identifying and documenting DOPs, and entering DOP assignment data in NAVICP-M's records is crucial to assuring proper repairables management. The accurate loading and maintenance of DOP data in NAVICP's Repairable Management File (RMF) improves effectiveness by facilitating carcass movement, depot workloading and execution of rework funds.

c. Procurement, competition, and breakout policies can significantly affect repairables management, particularly as they relate to DOP assignment. Collectively, these policies dictate that each NSN be carefully researched during the DOP assignment process and that attention be focused on the Acquisition Method Code (AMC) and Acquisition Method Suffix Code (AMSC). AMCs and AMSCs indicate how and under what restrictions an item will be acquired in accordance with Federal Acquisition Regulation (FAR) directives. A complete list of AMCs and AMSCs and their associated Data Element Numbers (DENs) is contained in NAVSUP P-508 (Supply Management Program Standard Data Element Dictionary).

d. While AMC and AMSC are used primarily for acquisition, they are both indicators of the amount and type of data available to the Navy and may greatly assist in determining the DOP assignment. For example, if AMC and AMSC data coding indicate that, "the Government physically does not have in its possession sufficient, accurate or legible data to purchase this part from other than current sources," it can be assumed that repair by anyone other than the Original Equipment Manufacturer (OEM) is suspect and should be challenged.

6.2 NAVICP-M Policies

a. Every repairable under NAVICP-M shall be assigned a DOP during provisioning.

b. Consistent with DoD and Navy policy, NAVICP-M will rely on competitive private enterprise to supply the products and services it needs. The only exceptions to this policy are:

(1) National defense is a consideration.

(2) No satisfactory commercial source is available.

(3) Maintenance can be provided by an organic facility at a lower cost than private commercial sources.

c. Navy policy requires that minimum industrial standards be established for a DOP engaged in restoration, overhaul and repair. In general, the standards require both commercial and organic depots to have:

(1) Requisite organization, production control, and technical skills.

(2) Necessary production capability and capacity; including documentation (drawings, technical manuals, technical repair standards), test equipment, manpower, personnel training, piece parts, material storage and control, facilities, quality control, and safety.

(3) Adequate financial resources and a pool of skilled personnel.

(4) Capability to meet the required delivery performance schedule.

(5) A satisfactory record of performance.

(6) Necessary qualification to receive an award under applicable laws and regulations. Organic DOPs will be required to submit standard Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP) reports. Commercial activities will be required to furnish similar data using either MILSTRAP transactions or specified Navy contractor reporting transactions. These reporting requirements should be addressed during the certification process.

d. In the case of HSC or Joint Depot Maintenance Activities Group (JDMAG) assignment of a commercial DOP, NAVICP-M policy is to consider the assignment subject to the requirements of the FAR, the Defense Federal Acquisition Regulation Supplement (DFARS) and the Competition in Contracting Act (CICA). The HSC/JDMAG will be notified when competition/breakout policies result in designation of a DOP other than the one originally assigned.

e. Organic assignments made by the HSC or JDMAG are also considered by NAVICP-M to be recommendations until documentation is provided stating the organic DOP has been certified to accomplish the overhaul. To be certified, all of the requirements included in sub-paragraph c above must exist at the organic DOP. Appendix B, the Depot Certification Handbook, provides detailed guidance.

f. When it is determined that a repairable component should have a depot other than the DOP assigned by the HSC or JDMAG because of breakout/competition, insufficient capacity or capability, uneconomic repair, or unacceptable RTAT, the HSC or JDMAG will be notified and its concurrence requested on the NAVICP-M assignment.

g. The lack of a DOP assignment will not preclude any repair action. Requirements may be filled through commercial sources, i.e., the OEM, pending DOP assignment and certifications.

6.3 NAVICP-M Responsibilities

a. Identify repairable items and DOPs prior to, or during the provisioning conference. For Hull, Mechanical and Electrical (HM&E) provisioning, DOP requests should be generated at the time of assignment of the Temporary Navy Item Control Number (T-NICN). The request for assignment of a DOP depends on the MSD of the end equipment, weapon, or system being provisioned. An assignment is required no later than at the time technical data is loaded in the Master Index File (MIF) for the files to successfully process.

b. Ensure that all DOP assignments, both organic and commercial, recommended by the HSC or JADMAG and loaded during provisioning, are compatible with the item's acquisition codes (AMC and AMSC) or with the specific documentation that has been provided to support the DOP assignment. Should there be a conflict between the assignment and the acquisition codes or the specific documentation provided to support assignment, NAVICP-M shall refer the issue back to the appropriate In Service Engineering Agent (ISEA) for resolution.

c. Notify all concerned when the DOP initially assigned is changed either through breakout/competition, insufficient capacity, or unacceptable RTAT.

d. As requested, participate in the HSC Depot Certification process in accordance with Appendix B. The certification process evaluates a contractor's responsibility and ability to respond to NAVICP-M's repair needs. From a NAVICP-M perspective, the certification should:

(1) Include personnel from the applicable Defense Contract Management Area Operations (DCMAO) (for commercial contractors) and ISEA.

(2) Review the adequacy of the technical data, availability of drawings, specifications, etc..

(3) Analyze the following factors:

(a) Technical capability.

(b) Production capability and RTAT.

(c) Quality assurance capability.

(4) Ensure DOPs are properly facilitized prior to the first repair of each assigned NSN. This is a HSC function and should be completed prior to MSD. If it cannot be completed prior to the first repair, the NAVICP-M should negotiate a new MSD. The NAVICP-M representative should ensure that facilitization includes, but is not limited to:

(a) Obtaining repair specifications.

(b) Forecasting and stocking necessary piece parts support.

(c) Training maintenance personnel.

(d) Developing necessary facilities.

(e) Obtaining tools and test equipment.

(5) Ensure the NAVICP-M Repairables and Investment Support Division (0581) is notified of all DOP assignments and changes. This permits timely update of the Weapons System File's Master Repairable Item List (MRIL).

e. Perform files maintenance for DOP data by entering the Unit Identification Code (UIC) of organic DOPs and the Commercial and Government Entity (CAGE) of commercial DOPs in the MIF.

f. Ensure that DOP data is screened to ensure that all repairables have DOPs assigned; identify to appropriate program managers any items without DOPs or any loss of DOP repair capability.

6.4 NAVICP-M Competition and Breakout Policy

a. The AMC/AMSC codes are keys that demonstrate the type and amount of data available to the Navy. When AMC/AMSC data elements indicate that procurement is potentially competitive, it will be the responsibility of the managing organization to review the data and determine if competitive repair is also possible. This determination should include, as a minimum, a review of:

(1) Type and availability of data, i.e., design versus performance specifications, acceptance test procedures, statement of work, etc.

(2) Tooling and test equipment requirements.

(3) Quality assurance procedures.

b. Competitive repair may not always be possible even though new procurements are competitive. This is particularly true in those cases where the item is procured using performance specifications. Items that are manufactured to performance specifications perform the same function but reflect each contractor's unique manufacturing processes. In cases where performance specifications exist, the OEM will be designated as the repair source. Carcass repairs can be accomplished by:

(1) Reviewing the nameplate on each asset prior to movement to the appropriate DOP.

or

(2) Routing assets to the predominant manufacturer for screening and movement to the appropriate DOP.

or

(3) Assigning multiple NSNs. (Note: This is the preferred approach as it eliminates co-mingled stock/ identity problems throughout the supply system and the potential repair cycle management problems attendant to the other procedures outlined above. When multiple NSNs are assigned, the appropriate family groups and coding must also be designated).

c. When the AMC/AMSC codes indicate a potentially competitive situation, the appropriate organization will review the data and identify the probable sources. Should the data involve the prime contractor and vendor(s), the prime contractor will be contacted to determine if the prime does the actual repair or if the repair is passed to the vendor. If the prime contractor does not perform the repair or add any value to the repair effort, the vendor will be designated as the DOP. (Note: The prime contractor is normally involved at the system level while the vendor provides the components for that system to the prime. Frequently the prime contractor is <u>not</u> the actual manufacturer).